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**EXPANSION OF THE "GENERAL WELFARE" FUNCTION
OF THE STATE AND OF THE NATIONAL GOVERNMENT IN THE
UNITED STATES**

by

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**A Thesis, Submitted for the Degree of
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EXPANSION OF THE "GENERAL WELFARE" FUNCTION
OF THE STATE AND OF THE NATIONAL GOVERNMENT IN THE
UNITED STATES.

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INTRODUCTION.

Before discussing this subject I think it would not be out of place to mention a word or two in regard to the phrase "general welfare" as found in the federal constitution. In the preamble which embodies the object and aim of the constitution, and in article 1, section 8, paragraph 1, the phrases "promote the general welfare," and "general welfare of the United States" are written respectively; ^{1.} the latter contains many enumerations of what the government must do. "This clause is often referred to as if it contained a substantive grant of power to provide for the common defence and the general welfare of the United States." ^{2.}

This interpretation is however at variance, for "if the government had authority in the large to care for the general welfare ^{3.} there would be no reason from naming the powers granted." However,

1.—Preamble of the U. S. constitution: We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this CONSTITUTION for the United States of America

Article 1, sec. 8; The Congress shall have power: (1) To lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defence and general welfare of the United States; but all duties, imposts, and excises shall be uniformed throughout the United States; (2).....

2.—Cyclopedia of American Government. v. II, p. 72.

3.—W. W. Willoughby. The Constitutional law of the U. S. v. 1, p. 40, says: "...common defense and general welfare of the U. S. has at times been argued to be equivalent to a grant to the general government of all powers, the exercise of which may in any way contribute to the effectuation of either of these ends (a) the power of taxation; (b) the power to provide for the common defense and general welfare.)

a close study of American Government and politics shows that this contains a substantive grant of power. Our discussion will rest greatly upon the expansion of this general welfare function--this substantive grant of power as exercised by the state and national government in the United States.

CHAPTER 1.

VIEWS OF THE WELFARE FUNCTION OF GOVERNMENT.

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Woodrow Wilson in his "The State" classified the functions of government into: (a) constituent, and (b) ministrant. By constituent, he said, "is meant that usual category of governmental function, the protection of life, liberty, and property, together with all other functions that are necessary to the civic organization of society,--functions which are not optional with governments, even in the eyes of strictest laissez faire,--which are the very bonds of society." These are:-

1. The keeping of order and providing for the protection of persons and property from violence and robbery.
2. The fixing of legal relations between man and wife, and between parents and children.
3. The regulation of the holding, transmission, and interchange of property, and the determination of its liabilities for debt or for crime.
4. The determination of contract rights between individuals.
5. The definition and punishment of crimes.
6. The administration justice in civil causes.
7. The determination of the political duties, privileges, and relations of citizens.
8. Dealings of the state with foreign powers; the preservation of the state from external danger or encroachment and the advancement of its international interests.

The ministrant functions are "those other functions (such as education, posts and telegraphs, and the care, say, of forests) which are undertaken, not by way of governing, but by way of advancing the general interests of society—functions which are optional, being necessary only according to standards of existence; functions which assist without constituting social organisation." These are:

1. The regulation of trade and industry; coinage of money, etc.
2. The regulation of labor.
3. The maintenance of thoroughfares.
4. The maintenance of postal and telegraph system.
5. The manufacture and distribution of gas, water works, etc.
6. Sanitation.
7. Education.
8. Care of the poor and incapable.
9. Care and cultivation of forests.
10. Sumptuary laws, such as 'prohibition' laws, for example.

J. W. Garner, in his "Introduction to Political Science" classified the state functions into three: (a) those which are necessary; (b) those which are natural or normal but not necessary; (c) those which are neither natural nor necessary, but which in fact are often performed by modern states; or "doubtful" functions as classified by some writers.

The examples given to the first and second functions are similar with Wilson's examples; but the third function is termed as economic and intellectual such as : the conduct of railway traffic; the telegraph and telephone service; the manufacture and distribution of gas and elec-

tricity for lighting purposes; the furnishing of water for drinking and other purposes in cities; the maintenance of theatres, pawn shops, bath houses, and lodging houses; the encouragement of certain industries by means of bounties, protective tariffs, and subventions; the planting of colonies, the encouragement of immigration; the establishment of experiment stations, liquor dispensaries, banks, universities of learnings, hospitals, reformatories, art galleries, museums, zoological and botanical gardens; the erection of improved dwellings for working people; the making of loans to farmers; grants in aid of railroads; the distribution of seeds for agricultural purposes; the conduct of the business of insurance; the granting of old age pensions; the maintenance of employment bureaus, etc.

"Under this head also may be included a great volume of regulatory or restrictive legislation dealing with the conduct of certain trades and occupations which are affected with a public interest, such as: railway traffic and means of communications; mining; manufacturing; the relations between employer and employees; the conduct of dangerous, offensive, or noxious trades; the censorship of the press; vaccination, quarantine and sanitary legislation; laws regarding the erection of buildings in cities; laws regulating banking, barbering, baking, plumbing, pawnbroking, slaughtering, and many other trades or business."

R. G. Gettel, in his "Introduction to Political Science" gives an expansive interpretation of the general welfare function which operates in modern states. The state is considered "as society organized, and is justified not only in maintaining its own existence and the life, liberty, and property of its citizens, but also in undertaking such other

functions as, under existing conditions, may be conducive to general welfare." And he further continued that in the exercise of each different function, the decision must rest upon the utilitarian basis of the best interests of the individual and of society.

He classified the function of government into: (1) essential, and (2) optional; the latter is subdivided into: (a) non-socialistic--that is function or enterprise, which, if not assumed by the state, would not be undertaken at all; the other is (b) socialistic, that is function or enterprise which is taken by government, although taken by private corporation or individual, for the purpose of preventing evil.

He has the same views with the writers described herein in regard to essential function of the state. In regard to optional functions, he said, that these are exercised not because they are essential to the existence of the state and the maintenance of its powers, or to the liberty and security of its citizens, but because they are expected to promote general welfare morally, intellectually, or economically.

These views are not however unchallenged by other political thinkers, especially those which belong to different schools of political thought.

Willoughby in his "Introduction to Government of Modern States" described the five schools of political thought. "Anarchistic--represents the extreme school of individual rights. To its adherents, liberty, individual liberty, is the important thing... It is their belief that common action for the general welfare should rest upon voluntary association rather than state compulsion." An attempted distinction between the essential and non-essential functions of the government, from their view point, was made, in which the essential functions of government, in a

word, are those of the lawgiver and administrator, the policeman and the soldier. All other functions actually performed by government are non-essential, and, in their opinion should be reduced to the lowest possible term, if not wholly eliminated or which the government should not attempt to perform at all.

The Individualistic school "believes, as men are not perfect, some exterior control is essential. They just justify government as a necessary evil"; that the evil should be reduced to the lowest possible term; that government is the best that governs the least. This school thrived or gained its ascendancy as well as its decendency in the middle of the 19th century whose appearance can mostly be attributed to reaction against the too much state interference in industry in Europe at that time.

The Collective School "differs radically from the individualistic school in the emphasis that it places upon social obligations, as opposed to individual self-interest, and in the fact that it assigns a positive role to government to promote social welfare instead of the negative role of doing only that which it is compelled to do in order that individual initiative may have full play."

The Communistic school "holds that it is the function of government, not only to own or control the means by which wealth is produced and distributed; but in large part its subsequent utilization. This school aims to organize society in such a way that all individuals will, as far as possible, lead a common life. It is thus the very reverse of the anarchistic school."

The Socialistic School "places such emphasis upon social obligations and the efficacy of collective action that it believes that the conduct of individual affairs at least should be almost wholly turned over to the government... Their interest is centered in the problem of so organising and conducting the industrial life of the people that greater equality and justice will obtain in the ownership of property and the production and distribution of wealth."

Carver in his "Principles of Political Economy," gave a very comprehensive and analytical explanation in regard to the views of various political thinkers for the reorganization of industrial society.

The communistic group of people believe that all wealth both producer's and consumer's goods are to be owned and controlled by the community.

Socialism believes that the community shall own and operate only producer's goods, leaving the consumer's goods to be owned and enjoyed by individuals.

Anarchism believes in the absence of all government--compulsory government. It is hard to draw the distinctions between anarchists and communists. There are groups who call themselves communists-anarchists. Those who opposed compulsion are anarchists; and those who believe that wealth must be owned in common are the communists.

How far government ownership in socialist.— "Some are willing to stop with trust and monopolies. This however, is populism rather than socialism. It is based not on a theory of capital but on a theory of monopoly." And the best way to curb monopoly is to turn monopolistic

enterprise into the state.

Socialism is not populism.— The theory of letting the nation to own the trust is based on monopoly, which is the essence of populism rather than of socialism; for the socialistic theory is "If labor is the only producer of wealth, the saver and accumulator is not a producer and is therefor not entitled to any share in the product."

The Liberalist "believes as far as possible each individual should be at liberty to work for some one else if he prefers,—that he should be at liberty to work for private individuals or to work for the government, according as he can make the most satisfactory agreements. In short, the liberalist is willing to trust men with the power of free contract, whereas the socialist relies mainly on the government's power of compulsion." The work of Karl Marx on "Capital" has been called the bible of the modern socialist.

Spencer's view.— J. W. Garner states: "Spencer inveighed against all legislation for regulation of commerce and trade; against sanitary legislation, such as quarantine, etc.

"In regard to education by the state, he observes that all these are reflections of the political thought of the age. "The eighteenth century bequeathed to us several celebrated formulae on which two or three generations have successively lived. 'Do not govern', said d'Argenson; 'Laisser faire, laisser passer', wrote Gournay; 'property, security, liberty, these make up the sum-total of social order' thinks Mercier de la Rivière; and the lively Abbé Galiani was still more emphatic in declaring 'Il Mondo va de se',—the world goes itself.¹ John Stuart Mill, of the

1.—Leroy-Beaulien. The modern state, trans. by A. C. Morant, 1891.

utilitarian school of political thought believes laissez faire must be the general rule in government.

"Many writers have exhausted themselves in the attempt to indicate a priori what are the essential and what the optional functions of the State. Most of these are arbitrary classifications.

"It is impossible theoretically to arrive at a fixed demarcation between the sphere of the state and that of free societies or individuals. The two spheres often overlap each other and often displace each other.

"History and experience alike prove down the ages, that all functions which to-day are regarded as forming part of the very essence of the state have very tardily fallen to its lot; that at least they have been for a long time partially performed by individuals and by associations formed by them. Society is a plastic being which enjoys a marvelous facility for adopting itself to its environment, and for creating those organs which are indispensable to its preservation or to its progress. We cannot brand as false Herbert Spencer's doctrine that every institution which is suited to the performance of collective social functions springs up spontaneously. The idea seems true in a great measure, so long as society is left to its natural plasticity, and is not crushed by authoritative force, that is, by the apparatus of constraint which we call the state."^{1.}

1.-Leroy-Beaulieu. The Modern State; translated by A. C. Morant, 1891.
p. 10; id. p. 69

CONCLUSION.

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These are the views of different political and economic writers in regard to the general welfare function of the government. As there is no categorical answer to the question what kind or form of state is the best, according to Aristotle, so this also holds true with the general welfare function of the government. The greatest consideration lies upon the principle of what is the best attainable by the given situation. Adherence to certain political principle or dogmas, as well as to tradition, precedent, and history, established or expounded by the political thinkers of the past are only justified in so far as making them serve as guide in the solution of the present day problem which confronts us. We have to solve our problems by the reinterpretation of the old political principles already established in the light of every day facts.

The so-called non-essential or optional function, including both socialistic and non-socialistic, is a subject which affords matter for interesting study and speculation. It is, in a sense, a question of analysis and elimination; of expansion and limitation. This is, comparatively speaking, still in the experimental state. During the early days of simplicity this function would not be of much use; but in this age of ours when we see "that the individual is caught in a great confused nexus of all sorts of complicated circumstances, and that to let him alone is to leave him helpless as against the obstacles with which he has to contend" this function of the government, therefore, in our days must come to the assistance of the individual.

Government ownership of some properties are decided advantageous and beneficial to the public welfare. What is left undecided is how far or to what certain kind of properties will the government exercise this function. Party pledges and platforms eliminate those which must be owned by the government, and those which must be controlled and regulated by the government. Undoubtedly this gained the approval and the sanction of the majority of the people. The majority of the people has already approved this new interpretative function of the government. What is left is a mere operation—putting this platform in practice.

Unlike the government of the early days, the government of to-day can no longer stand "by the roadside and see the procession go by." The idea of laissez faire, laissez passer, do not govern, the world will go of itself, the government that govern the least is the best. is now the exception, and not the general rule, as in former days. The time has already come for us to frame larger conceptions of governmental function than we have been holding. The chief end of government is no "longer to be the collection of taxes, the maintenance of order, and the other material duties that have long been held to constitute its entire responsibility."—1. To spread happiness and plenty among the people is now the growing conception of the business of the government. It is assuming a new moral obligation. We are rapidly leaving the old decade and pushing forward to the decade of progressive and new nationalism.

Laws such as: the old-age pension act, mother's pension act, workman's compensation law, and similar kinds of laws which have been enacted have undoubtedly mitigated a great deal of want and misery as well as injustice. Education is broadly interpreted nowadays than it has heretofore

1. McCarthy. The Wisconsin idea. 1913.

been interpreted; criminals are reformed and not punished; parks and playgrounds have in a large measure substituted juvenile bars and prisons; public health safeguarded, sanitation improved; public works carried on in a large and broad scale, public improvements expanded---these are done for the general welfare of the people. This idea or philosophy can not be claimed by a particular kind of school or party, but by all schools and parties--by the majority of the people.

New social progress of the people brings new valuable experience from which the expansion of our general welfare function of our government is based. We are in the stage of growth and development; our governmental function must necessarily grow and develop with us. Neither one can be at a standstill. Both must move forward, or both must fall behind. There is no panacea in government. Most problems are problems of analysis. Organized leadership, employment of experts to supplement and not to supplant the work of ordinary citizen will increase the governmental efficiency in putting into operation the welfare function of the government as interpreted in this century.

CHAPTER II.

WELFARE FUNCTION AS APPLIED IN THE STATES.

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Having discussed the different theories or views in regard to the welfare function of government in previous chapter, we shall now give

specific examples of the welfare function as applied in the States.

The first subject we shall take is:-

STATE EDUCATION.

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At the time of the Revolution there was little provision for popular education at public expense. Only in exceptional cases were colleges given financial aid by the state. Little attention was paid to local common schools. Nearly all schools and colleges were privately conducted. But a period of transformation took place and free public schools were conducted by the states. Opportunity to education was then extended. It was not confined to primary school alone, but to all kinds of schools supported and maintained by the state. Grammar schools, secondary or high schools, vocational, evening, or continuation schools for the education of wage earners, trade and industrial schools, mechanical schools, normal schools, colleges and universities for professional education, special schools for defectives, delinquents, like dumb and blind, extension courses and traveling libraries for the education of the adults were conducted by the state.

This progress in school matters is not however uniform. This is reflected in the rates of illiteracy. The rate for South Carolina is fifteen times the rate for Iowa. The difference in highly specialized branches is even greater. However, the state government spend more money on education than on any other single activity of the state.

With this progress and growth in education the system of control is shifted from local to central educational authorities. The old local school boards and committees were changed to an independent department of education known usually as the state superintendent of public instruction. There are also many states who have state board of education, or

special boards for the control of special institutions like normal schools and universities.

The plan of educational administration is not uniform, although centralization has increased the powers of the state educational authorities. In most states the state superintendent of public instruction is elected by the people. In seven states, he is appointed by the Governor and Senate, and in four he is appointed by the state board of education.

Educational problem of the day.--During the author's travel in the East, he considers himself fortunate in hearing Hervert Hoover at the commemorative day exercise of Johns Hopkins University of February 23, of this year (1920). Among other things Hoover spoke on the educational problems of the day. He said: "Data collected by the recent studies of the National Educational Association and the Bureau of Education indicates that probably over 100,000 teaching positions in our public schools are now vacant or are filled by teachers below the standard. It appears that there are probably 120,000 teachers in the United States who receive less than \$450 a year. Increase have been given to some from 10 to 25 per cent, and yet the cost of living has advanced 80 to 85 per cent.

"The teaching profession, with its high standards and its high ideals of service, does not need to compete upon a common basis with commerce and salaries. We do not want to place our schools on the basis where they attract ~~shocky~~ by money, but there is a point beyond which sacrifice physically can not be given. We have gone below that level."

This is an advise and a warning which state authorities as well as ordinary citizens must take at heart. Sure enough that the State appropriates more for her educational activity than for any other branches of the State government yet this is not in itself sufficient unless the required standard of efficiency in education is secured and maintained. Minnesota leads among all States in giving adequate pay to teachers. Let us hope that the rest of the states will follow. Education is left entirely to each individual state by the federal constitution. The state government must not overlook the importance of education as a primary thing in serving the general welfare of the people of the state.

CHARITIES AND CORRECTIONS.

-----oOo-----

At the revolution prisoners of all kinds, without distinction of age or sex were placed in the custody of the sheriff and kept by him in such way as he sees fit. The expenses is charged to the county so much per head. Defectives were not accepted unless they had committed some offences. If they were incapable of self-support they were treated like other law-breakers; if they were poor they were dealt with like ordinary paupers unless supported by their relatives. Permanent paupers were entitled to maintenance at public expense in almshouses.

A new movement, however, started to solve the problem of pauperism and criminals. The influence of English reformers John Howard and Elizabeth Fry had much to do in the first half-century after the Revolution in American prison reform. Imprisonment for debt was abolished; penitentiaries and reformatories were established; jails and prisons were made

more decent. The duty of preventing poverty by the state began to be recognized. Societies and organizations, like Washingtonian societies for promotion of temperance in alcoholic liquors helped the states a great deal. Reform of charities and corrections was based on the principle of abandoning the old poor law and the old penal system and inaugurated a new provision of specialized treatment for the different classes of dependents and delinquents.. The adoption of workmen's compensation acts and the development of general systems of social insurance have made for the relief of the victims of industrial accidents, occupational diseases, casual sickness and disability due to old age. Regulation of industry has diminished involuntary unemployment. Inefficiency of the workers due to lack of skill and training have been met by further development of the system of education. The cases of dumbs and blinds have been considered educational and not charitable. They are given special education and they are treated in such a way as to become self-supporting. Assistance and helps are given to poor classes to become self-supporting. Vagabonds received special treatment. The feeble minded and incurably insane are segregated and given special care.

Because of the growing recognition of these new principles, the state had created new agencies of relief and correction. Specialized administrative organization was made. The states have assumed the work which local authorities can not afford to maintain. Boards of pardons and parole have been established; prisoner is taught a trade; new science of criminology is employed. "More important than the conservation of natural resources is the conservation and the reclamation of the human resources of the states, and the success of the charitable and correctional administration is to be judged by the degree of success with which these ends

are attained."

Nearly all states have the following laws or institutions for the improvement of charities and corrections: workmen's compensation act; social insurance act; mother's pension acts; care of the feeble minded, criminal insane, juvenile delinquents, alcoholics, tuberculous poor, paupers, deaf, dumb, blind, insane; adopting modern methods of punishment, creating board of pardon and parole, maintaining prison industries, adopting prison reform, abolition of imprisonment for debt, prevention of pauperism, old age due to occupational diseases, and industrial accidents.

All administration of this new state function, the conservation of human resources, either in the nature of charitable, penal or both, or neither of them such as the relief of industrial accidents and sick workers are now directed, managed and controlled by the states.

From these facts we can conclude that "government does not stop with the protection of life, liberty, and property, as some has supposed; it goes on to serve every convenience of society. Its sphere is limited only by its own wisdom, alike where republican and where absolutist principles prevail".-1.

PUBLIC HEALTH.

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During the days of the Revolution, public health administration had only two principal objects: (1) the establishment of quarantines

1.- Wilson. The State.

against contagious diseases, and (2) the abatement of nuisances.

Measures were passed for the prevention and introduction of diseases from foreign countries. Vessels were quarantined before allowing to enter the seaports of Massachusetts, New York, Pennsylvania, Maryland and Louisiana. Local authorities were organized in cities favorable to the propagation of diseases. Baltimore established local health authorities in 1793, Philadelphia in 1794, New York and Boston before the end of the 16th century. In 1849 a commission was appointed in Massachusetts to report to the legislature a plan for a sanitary survey of the state.

But before the Revolution there was no state nor local agencies for public health. In case of the spread of diseases, local authorities are expected to take action, as local public opinion demanded. It was not until after the civil war when the regular state wide supervision of public health was conducted by the state, and with the cooperation with the local authorities.

The function of the state health administration is growing very rapidly, and progress in science have enlarged the scope of this administration. To have a very extensive idea of the services performed by this branch of government to the people, let us outline in brief the powers granted to state health offices:

1. "The power to investigate:

(a) the cause of disease, for example, by the establishment of cancer research laboratories;

(b) the prevalence of disease for example, by the establishment of registration areas for the recording of vital statistics; and

(c) the location of disease, for example, by the inspection of factories, tenements, etc.

2. Compulsory isolation of the sick at home or in hospitals.
3. Free medical treatment and nursing, for example in case of tuberculosis.
4. Public preventive medicine by the preparation and distribution of vaccines, antitoxins, etc.
5. Medical examination of immigrants and school children.
6. Care of dead bodies, if necessary, in connection with transportation and burial.
7. Free diagnosis of disease in public laboratories.
8. Disposal of sewage, garbage, dust, ashes, smoke, etc.
9. Suppression of offensive trades and offenses against the public health or morals.
10. Ventilation and illumination of factories and workshops, protection of workers against dangerous machinery and industrial processes injurious to health, regulation of the hours of labor of men, in certain occupations, and of women and children, and eventually of wages as well.
11. Prevention or suppression of insanitary housing conditions by building laws and inspection.
12. Control of the manufacture, transportation, and sale of explosions and fireworks.
13. Control or suppression of the sale of impure foods, poisonous drugs, alcoholic liquors, tobacco (to minors), unclean milk, etc., and protection of the purity of water supplies.
14. Public instruction in personal and social hygiene, and the suppression of advertisements and printed matter detrimental to public health and morals.
15. Regulation of the practice of all professions connected with the public health, such as medicine and surgery, nursing, undertaking and embalming, dentistry, optometry, pharmacy, veterinary medicine, plumbing, etc. -1.

1.- Holcombe. State government in U. S. p. 297.

The state is conserving the life of the people from all causes that can be controlled, avoided or cured. Without the states interference and regulation during the outbreak of contagious diseases such as influenza, cholera, fever and similar calamities, the people would easily be decimated. No person to-day whether he believes in government or not can not say that his health has not been protected either directly or indirectly by the state. This public health function of the state government is progressing in proportion with the advance and discoveries in science for the security, protection of health and life of the people of the state.

AGRICULTURE.

---OOO---

Agriculture belongs to one of the new functions or activities of the state. How the national government had considered the subject of agriculture as the basis of progress and wealth of the people of this country, and what are the laws that were passed for its promotion, is well described in the chapter on Education by the federal government. For our present purpose we shall briefly describe the nature of the state work in relation to agriculture so as to know the services it gives to the people.

The State Department of Agriculture is in charge of all matters to help, promote encourage agriculture of the state. It is in charge of "the collection of rural statistics, the holding of agricultural fairs and farmers' institutes, the analysis of soils and fertilizers, the registration of live-stock, the study and suppression of animal and plant diseases, pests, etc., the inspection of herds and meat products, dairies and dairy products, apiaries, etc., the grading of cotton, wool,

grain, etc., the preservation and propagation of fish and game, the conservation of natural resources in general, especially of forests, and reforestation, drainage of swamp lands, and irrigation, the encouragement of agricultural experimentation and poultry and stock breeding, the supervision of warehouses and commission merchants and of the supply of agricultural labor, the examination and licensing of veterinarians, the inspection of fruits and seeds, trees, shrubs, and plants, and the regulation of cold storage."

Great number of separate agencies have been created: "State boards or commissioners of agriculture, state veterinarians, entomologists, chemists, foresters, fish and game commissioners, food and dairy commissioners, inspectors of fertilizer, hides, apiaries, etc., state fair and cattle commissioners and trustees of agricultural experiment stations."

It is the present policy to increase the powers of central administrative authorities in administering rural and urban laws to facilitate agricultural administration. Their advisory powers are enlarged; they are granted the powers of supervision. Agricultural departments are established in nearly half the states. At present there are twenty two states which organized agricultural departments: New York, Pennsylvania, Ohio, Maine, New Hampshire, North Dakota, Montana, Idaho, Washington, and nearly all southern states. These departments are either in charge of commission of agriculture or board of agriculture.

Of all the economic factors which contribute to the immediate wealth or progress of the state, agriculture ranks the firsts. It is mostly the American farmers who saved the world from hunger in this Great War. It is the American farmers indirectly, who won the war. Sociologists,

Economists and Statesmen are encouraging the "Back to the Farm Movement." Read all party pledges and platforms and the farmer's interest are always protected or safeguarded. In the national government there is a Department of Agriculture who looks after the agricultural interest of the country, cooperating mostly with the states on this line. Cities can not live well and thrive well without the support from farms. It is therefore necessary for the welfare of the people that agriculture as an institution, or science, or industry, be developed, encouraged, protected, or supported by the states.

MONOPOLIES AND TRUSTS.
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Introduction.-- Prior to 1870 the history of the United States had two distinct and important features: First, the occupation of the continent by the civilized people from discontented lands; second, the struggle between the North and the South for the maintenance of political principles as well as rivalry in economic supremacy. The first feature passed away because of the disappearance of free land suitable to individual pioneers; and the later was swept away by the Civil War which devastated the country. Immediately following was a period of reconstruction--a transitional period of industrial and commercial stimulus, and the practical application of science which brought to the front the corporate idea and greater capitalism; and the disappearance of free land, then closed the door of opportunity to the pioneers and new comers. As a consequence economic class interest began to grow: corporations and trusts stood on one side; farmers and laborers on the other side.

The war against corporations was then waged. The first denunciation

made was the abused and unjust discrimination of the R. R. which was growing very powerful all over the country. Then followed all complaints against trusts and corporations. Various organizations, political, social, or educational, were organized to counteract this growing peril. Newspaper editorials and party platforms are full of literatures of various kinds against corporate abuses.

How to enact an effective measure to give the federal government adequate control and power over trusts and corporations, is and has always been the problem of the federal government since the famous Sherman-anti-trust law of 1890. These corporations and trusts of the minority group, organized for the welfare of their economic interests alone are so powerful that they even control the government and they are so foresighted that they have even outrun the people in the race for political supremacy. It is already quite late when the people know and understand the situation. Who will control the government: the people or the corporation? has always been the issue in every election with all parties. No one doubts the great indirect economic return attached to political supremacy. Economic interests can always be defended against laws—despite its evil consequences to the majority of the people.

Corporations and trusts are so much a part of national, industrial, social, political, and commercial life since the beginning of the reconstruction after the civil war that only by cautious law and measures can they be gradually controlled. Any social or economic evolution brings problems which in their very nature are difficult to solve. The more complex the problem the more elaborate must be its solution. The problem is, which solution, in the long run, affords the least difficulty and gives the most beneficial result?

Let us start from the beginning by examining the different activities of the States in regard to this subject which has been, and is still a problem of the American people.

STATE TRUST LEGISLATION.

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In the constitutions of Maryland, North Carolina, Florida, Tennessee and Texas provisions against "perpetuities and monopolies" are found. The anti-monopoly attitude of the American state legislatures fill the pages of Congressional and Assembly journals. When the fight was made against the railway monopoly which led to the enactment of the Interstate Commerce Law, the state legislators were ready right away to support and pass such law. Laws are enacted at once as soon as legislators become aware of the monopolistic tendency of manufacturing concentration.

The first important anti-trust legislation began when the first federal anti-trust statute was passed in 1890. "Kansas, which even in 1887 had passed a law against monopolies in grain, led the procession passing its general anti-trust act Mar. 2, 1889. In order followed Maine, North Carolina, Tennessee, Kentucky, and Mississippi in 1890, before the passage of the Federal act. By the end of 1891, North Dakota, Oklahoma, Montana, Louisiana, Illinois, Minnesota, Missouri and New Mexico had all joined the trust-destroying procession. Wisconsin did not legislate against Trusts until 1893, but should be classed as a laggard in the first series."-1.

1.- Jenks and Clark. The trust problem. p. 245.

In 1889, Idaho, Montana, North Dakota, and Washinton had added anti-trusts amendments to their constitutions. Mississippi followed, and Kentucky succeeded in 1893. There were then six states having constitutional amendment and seventeen states having statutory laws.

Industrial and manufacturing plants combination again took place in the country after the terrible business depression following the panic of 1893. Prior to 1898, there were only less than one hundred industrial combinations, and after 1904, there were already about three hundred. This new monopolistic industrial development made Alabama, Arkansas, Georgia, Indiana, Iowa, Nebraska, New York, Ohio, South Carolina, Texas and Utah, passed anti-trust legislation. There is now a total number of twenty-nine states having anti-trust legislation in the first agitation against industrial monopolies.

In 1900, nine more states have legislated against trusts, and many of the states have amended their statutes to make them more effective. In 1913, New Jersey passed anti-trust statutes, familiarly known as the "Seven Sisters", a well known anti-trust legislation. The statute of Texas may also be considered having a radical anti-trust legislation. Foreign corporations violating the law are to be denied the right to do business within the state; domestic corporation is to be fined \$50 to \$1,500 for each day of violation; individual person taking part in violating the law is to be imprisoned from two to ten years. All contracts made by these corporations are null and void. County district attorneys and Attorney-general may bring an action and begin the prosecution.

All these illustrate the power exercised by the states to enact both positive and negative laws, not for the interest of certain class or group, but for the general good of the whole people of the states.

STATE SUPERVISION OF CORPORATIONS.
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During the Revolution corporations are granted charters by the special act of the state legislature. There were few corporations then, and such method of granting charters seemed to be the most adequate way in insuring the public against corporate abuses. But since the beginning of the 19th century the development of industry increased the growing demand for corporate privileges. Corrupt means of securing the necessary privileges are not infrequently found, and the state legislature, oftentimes failed to insert the proper safeguard of the public. But to-day a regulation and a close supervision of the operations of corporations are made. At first the administration of general laws relating to corporations was undertaken by the Secretary of State. At present special administrative officers are created to supervise the special classes of corporations. Commissioners of Banking, R. R., Insurance, and other offices were created from time to time for the regulation of public utilities and public interest. At the beginning these officers had limited powers—powers to receive reports and make them public. To-day they exercise unlimited powers granted them by law. The Commissioners of Banking and Insurance can examine books and records of banks and Insurance Companies; account and audit them, and exclude all undesirable enterprises or business within the state.

In some Western States the commissioners do not only possess these powers, but are allowed by the state law to engage in banking business. In this state, Wisconsin, the law provides that state authorities can

engage in business of Life Insurance. The Wisconsin R. R. Commission was given extensive powers not only to regulate but also to appraise the physical property of railroads and determine its true value so that the state can fix the amount of dividend the company is entitled to receive and how much tax it has to pay to the government.

There is a strong tendency to give ample powers to administrative authorities charged with the supervision of public corporations rather than to establish a uniform type of administrative organization. However, beginning in Wisconsin in 1907, a single public utility commission has been created. This has the jurisdiction over all classes of public service corporations. It is given a discretionary power with certain limitation, by the statute to decide and determine cases pertaining to railroads. Other states follow suit. This is the beginning of state control and regulation of many corporate abuses.

To-day the welfare function of the state government is being carried not only through the enactment of wise measures, but also through the employment of experts—to draft, and to administer those measures. No matter how good are the laws when improperly administered, are as ineffective as those defective laws properly administered. The new conception[†] of employing experts to administer the various machineries of government supplementing the work of ordinary citizens who are not better qualified, is one of the great steps taken to promote the governmental efficiency for the general welfare.

CHAPTER III.

THE WELFARE FUNCTION AS APPLIED IN THE NATIONAL GOVERNMENT.

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In the previous chapter we have discussed the welfare function as applied in the States. We shall proceed to continue discussing the same subject as applied in the National Government of this country. We shall begin by describing how the National Government encouraged and aided the States to promote the educational welfare of the people.

THE LEGISLATIVE HISTORY OF FEDERAL AID FOR VOCATIONAL EDUCATION

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Under the federal constitution education is left to be determined by the separate states. The state's educational system and policy is not subject to any federal regulation. There is, however, at present a movement going on for the federal government to undertake the supervision of education in various states. No one knows whether such step will be carried out. We shall describe here briefly the legislative history of federal aid for vocational education indicating the interest taken by the national government in educational matter.

Agricultural college grant of 1862.--The first Morrill act of 1862, is what we may term the predecessor of all other appropriations by the national government for education. "The bill (H. R. 2) granted six million three hundred and forty thousand acres of the public land to the

states, each state receiving twenty thousand acres for each senator and representative in Congress to which it was entitled under the census of 1850, the proceeds to be used in maintaining colleges of agriculture and the mechanic art."-1. Mr. Morrill was already nearly fifty years of age when he introduced this measure, and few would have imagined that his service would continue until the twentieth century. He likes to do something for the farmer. He explained the necessity of improving the defective method of agricultural cultivation, and that every year the American soil is becoming poorer because of not scientifically and properly dealing with it. The one way to overcome this shortcoming is to educate the profession itself. He said "The farmer and the mechanic require special schools and appropriate literature quite as much as any one of the so-called learned professions... It is plainly an indication that education is taking a step in advance when public sentiment begins to demand that the faculties of young men shall be trained with some reference to the vocation to which they are to be devoted through life."

Mr. Morrill supported his bill with the best argument in favor of agricultural education. He quoted the letters of Jefferson and Washington in favor of establishing a national university and pointed out that Jefferson is a great and steadfast friend of agriculture. After a long discussion the bill was passed in both houses and on July 2nd, President Lincoln affixed his signature to the bill which was turned into law.

Annual grant authorized by the act of 1890.—Many states accepted the public lands provided for in the act of 1862, in which they were under

1.— 1st. bill, 35th. Cong. 1st. Session, Dec. 14, 1857. Carnegie Foundation.

obligation to preserve 9/10 of the money derived from it for the instruction of agriculture as provided by law; the other 1/10 could be used by the state in its discretion.

In 1872, the campaign for additional funds was made by Mr. Morrill, "to provide for the further endowment and support of colleges for the benefit of agriculture and the mechanic arts, to support the act approved by Congress July 2, 1862. There were a total of 7,636,588 acres of land used under the first act, which had not been satisfactorily administered. The new act provides a new method of administration, to be conducted by the United States government. Under this arrangement the fund can never be squandered and misapplied; and the distribution of the proposed benefits were to be on a basis of equality instead of representation." One of the supporters of this measure maintained that "the public lands should be appropriated to the promotion of education because the property to be appropriated is that of the public, and the only proper use that can be made of it is to devote it to a permanent public beneficial purpose." The educated men build up and do not tear down. The author of the act maintained further that a college in every state would make education cheaper, and that colleges in the larger states could rely on wealthy benefactors to add to their endowment. This bill was not adopted by the legislature. For several session Mr. Morrill introduced different bills having the same spirit, one of which was finally adopted and become a law on Aug. 30, 1890, during President Harrison's administration.

Increased annual grant authorized by the act of 1907.--- In accordance with the act of 1890, \$15,000 a year is being appropriated to each state. An increase of \$1000 was made for each state until the sum of \$25,000 was reached in 1900. This amount was again increased in a bill introduced in connection with the department of Agriculture to \$35,000 a year, with an increase of \$5,000 each successive year until \$50,000 should be reached. On March 16, 1906, the President's signature was affixed to the bill and became law.

Federal aid for education.---We know that Congress was always generous in regard to educational matters although the constitution did not confer her any direct power in regard to this activity. There was even an attempt to found a national university, a plan advocated by Washington, Jeffersons, and Madison. In 1785, following the Congressional Land Survey, the 16th lot in every township was reserved for the maintenance of public schools, and two years later a certain lot is laid for a university.

Constitutionality of public land act.---Is the distribution of public lands according to Morrill acts constitutional? This was answered in the positive as sec. 3 of article 4 of the constitution provides that "Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." However constitutional legality arose in different appropriations similar to land act grant law as the agricultural appropriation bill appeared seventeen years later, "which opens the widest door towards centralization that this House has ever taken," as characterized by one of the members of the House.

Recent movements for federal grants for education.— Since 1910 there scarcely a session of Congress has passed without the presentation of a number of bills for federal aid in education. Of the many measures proposed on the subject, the Leon bill has secured an enactment in 1914 which provided for federal aid to state agricultural colleges for cooperation with the department of Agriculture. The federal government appropriated \$480,000 or \$10,000 for each state. This sum is to be raised annually by the federal government until the total sum of \$4,100,000 is reached, which will be then divided by the Secretary of the Department of Agriculture to every state. Each state is required to appropriate an amount equal to the appropriation from the federal treasury. The opposition on this bill was raised on the ground that it did not go far enough. Domestic science vocational education, and the preparation of teachers for these must also be included. In 1914 a Federal Commission on National Aid to Vocational Education was appointed; then recommendations were submitted. The outcome was the enactment of the Smith-Hughes Act, which after several years discussion in Congress was approved on February 22, 1917, "to provide for the promotion of vocational education; to provide for cooperation with the states in the promotion of such education in agriculture, and the trades and industries; to provide for cooperation with the states in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure."

The Smith-Lever law, similar to Smith-Hughes law, giving agricultural informal education, or promoting agricultural extension was passed. This carries to "every farmer in every section of the country, through the medium of trained experts and by demonstration farms, the practical knowledge acquired by the federal agricultural department in all things relating to agriculture, horticulture and animal life."

For two years, the Smith Tower law is pending in Congress, providing for executive department with a Secretary of Education in the President's cabinet.

Commissioner of Education.--- Under the Department of Interior there is a bureau of Education which acts as a clearing house through which pass educational data and statistics, not only of the United States but also of the foreign countries. Its head is the Commissioner of Education. It is his duty to collect and publish statistics and facts showing the condition and progress of education in several states and territories. He is in charge of endowment fund for the support of colleges of agriculture and the mechanic arts and with the supervision over education in Alaska.

Conclusion.---The national government has not lagged behind in taking the initiative and giving liberal appropriations for educational welfare in spite of the fact that this task is left at the discretion of every state. She realized that education, proper education, serves as the best and ultimate cure and antidote against all sorts of unrest--political, economic or social. In a democratic country as this, what greatly counts in education is the raising of the standard of the masses to a higher level. It is this mass, this majority, which greatly make up the govern-

ment, and for whom, therefore, the government must render the best possible educational service. Democratic government, in a sense, is a government of public opinion; and sound public opinion is, at bottom, education of the masses who form the opinion. Americanization of the foreign born citizens, as well as ~~some~~ of the native born, is a pressing need. This is not, by any means, an easy task that can be accomplished by the federal government alone, or by the state alone, or at any one period of time, without the cooperation of the citizens themselves. School and university, must each, first, teach democracy; second, make it democratic; and third serve as experiment station for all kinds of knowledge, to assimilate it and then disseminate it to the people who support these institutions. The federal government has not failed to do its duty on this matter. It is the States which are rather reluctant in giving the necessary appropriations. It is then the duty of every citizen to create a public opinion on the subject. Citizen's vigilance is essential in a democracy. If the government of the people must survive according to its standard and principles, education of the masses, raising them to a higher level is a necessity which must not be lost sight of; or ~~else~~, our election, the dominating factor in choosing our public servants to govern us can be characterized, as Leroy-Beaulieu said, to an instantaneous photograph which takes a horse at a gallop and represents him galloping forever.

FEDERAL REGULATION OF RAILROAD
CORPORATIONS.

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Railroad is a class of corporation which the people desire to control for many years. The policy of the government was always to encourage and to regulate railroads and never to destroy. Most of the railroad abuses were cured by legislative enactments of both state and national governments after due investigation was made on the subject. In 1887 Congress established the Interstate Commerce Commission having jurisdiction over railroads engaged in interstate commerce. The power granted this commission was not however broad enough in scope so that express companies, sleeping car companies, pipe lines, telephones, telegraphs and similar instrumentalities can be under its jurisdiction. The railroads could carry the same practice of unfair discrimination without violating the law. As no provision was made in regard to railroads operating entirely within the territory, the commission was powerless to check their abuses.

These are not the only defects of this law. The commission was not given the power to ascertain the physical valuation of railroads so that they can have the power to fix and regulate the rates. The statute just provides that the rates should be just and reasonable. They were not given the power to prohibit the granting of passes to legislators which foster a corrupting influence in politics. Railroads which owned coals and timbers can naturally compete well by controlling the market.

No provision for the safety and welfare of employees was made, so oftentimes unnecessary loss of life was taking place. But in 1893, the original act of 1887 was amended and safety appliances was passed. "In 1906, the Hepburn Act was passed, extending the jurisdiction of the commission over railroad operating wholly within a territory and including under its provisions express companies, pipelines, sleeping-car companies, warehouses, refrigerating plants, and other facilities of commerce. The same act gave the commission power to fix maximum rates, prohibited passes, diminished discrimination by forbidding railroad to carry their own products (except timber) and authorized the commission to compel railroad to build spurs switches, sidings, and branches wherever they seemed reasonably necessary. Telephone, telegraph including wireless—and cable companies were brought within the act in 1910, and in 1913, the power to fix the physical valuation and to investigate the financial operations of the roads was given. As a result of these amendments, the Interstate Commerce Commission now exercises effective control over practically all public utility corporations engaged in interstate commerce."-1.

Having this ample power, the commission can execute its work and duty to the best interest of the public. The question now comes—to what extent will the commission's power be carried? Government ownership was advocated, carried, and operated, but proved to be a failure.-2. However the experiment was not long enough to make a satisfactory conclusion, and it is still advisable to try over such experiment.

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1.-De Witt, Progressive Movement, p. 119.
2.-See 65th Cong. Public Act 107.

Those who opposed to government ownership advanced the theory that railroad investments are no longer profitable as in the days when land was liberally granted, capitalization grossly watered, and operations uncontrolled. To-day railroads must be run not for profit but for service, thus capital invested are gradually withdrawn by the owners. Other reason against government ownership is that spoil system and political preference takes place. Competent officials and employees could not be obtained. This is however answered and controverted by the fact that railroads dominated the politics of the whole sections of the country. "The Southern Pacific in California, the New Haven in New England, the New York Central in New York, the Pennsylvania in Pennsylvania and New Jersey, are conspicuous examples of the extent to which railroads have carried their powers."

FEDERAL REGULATION OF TRUSTS.

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In 1890 Congress passed an act known as the Sherman anti-trust act, for the purpose of destroying combinations and monopolies. Section one of this act declared that "Every contract, combination, in the form of trust and otherwise, or conspiracy in restraint of trade or commerce...illegal. ...every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding \$5000, or by imprisonment not exceeding one year or both said punishments, in the direction of the courts." This is a good illustration of Congress desire to control all industrial corporations that restrained trade which is harmful to the public. But this act has very largely failed. The difficulty of enforcing it, the ambiguity of its

language which is too hard for the court to give its interpretation, and the defect of the law itself, shows that the government, in a large measure, failed to control the power of the trust and corporations.

President Wilson in his message on corporation urged the establishment of a commission to be known as the "Interstate Trade Commission" to interpret the law on corporation and to recommend additional legislation as it is necessary. This will undertake the problem which the Sherman law failed to undertake. As a result the Federal Trade Commission Act was passed by Congress on Sept. 24, 1914, to "prevent persons, partnerships, or corporations, excepting banks and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce."-1. The Federal Trade Commission composed of five members appointed by the President of the United States, have the power to conduct hearings in any place or city of this country. "It has authority to enforce the provisions of the Federal Trade Commission Act relative to unfair competition, and provisions of the Clayton Act, notably those relative to price discrimination, tying contracts, holding companies, and interlocking directories, as to all corporations which come under ~~the~~ jurisdiction."

The Clayton Anti-trust act was approved Oct. 15, 1914, to "supplement existing laws against unlawful restraints and monopolies." Section 6 and 20 of this act is considered by the labor leaders as magna charta of the laborers. Section 6 exempts labor "held or construed to be illegal combinations or conspiracies in restraint of trade, under the anti-trust laws."

1. For other less important laws, see: The federal anti-trust laws with amendments, July 1, 1916. Washington, D. C.

The Sundry civil act of 1916, appropriated \$250,000 for the enforcement of anti-trust laws.

Banking corporation.- - A greater measure of governmental control of banking corporation is imperative. The coining of money is done by the federal government, but the coining of credit¹ has been left to private individuals. The distribution of credits has been allowed to few corporations who have the ^{power} to use them only for their own purposes. By placing the same men in the board of directors in a number of different banks, it has been possible for these men to control a great part of the available credit of the country. Because of such practice panic took place in 1893 and 1907.

Prior to the passage of the Glass-Owen law in 1913 the banking system of this country was defective in nearly every essential feature. There are about 20,000 national banks in the country which became keen competitors, instead of mutually helping each other in time of panic.

The Glass-Owen bill, passed in Dec. 1913, provides for a Federal Reserve Board at Washington to consist of the Secretary of the Treasury, the comptroller of the currency and five other members appointed by the President to exercise final control over the entire banking system. With the passage of this law, the fundamental defects which caused panic at the sacrifice of the people are removed and corrected.

CONCLUSION.

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We can not doubt the best and good intention of Congress to regulate the growing power and abuses of the trusts and corporations. Our progressive citizens are conscious of the fact that "there is a corrupt influence from large concentration of wealth and its unhappy

distribution which will cause more beggarism, more softening and more synecophancy than all the laws which can be put upon the statute books regulating the homes of labor of woman and children."-1.

The function of the federal legislation has ceased to be merely negative. It performs much positive function, not only laying out the rules and regulations as to what can not be done, but also what must be done. Elaborate law is necessary in our complex life for the security of public welfare. The old theory of laissez faire, or hands-off in government has far outrun its use.

A foreign observer of our government and institutions once said: "The American constitution abolished nobility and made all citizens equal before the law. But in the place of nobility there has developed in this country a property holding class. Great fortunes have been accumulated and perpetuated by reason of absolute and unconditional ownership of property. Their owners possess greater power, live in greater luxury and exact a greater toll from society than the nobility ever did."-2. I believe there is much truth in this statement. Read the political platform and pledges of any party, both national and state and you will not fail to miss statements of condemnation against corporations and trusts. Newspapers are constantly publishing articles against their acts. "Pools are hit hard.--United States Supreme Court upholds Sherman Act.--Decision is a surprise.--Virtually declares all traffic agreements illegal.--Competition will be open.--Railroads will be amenable to Interstate Commerce Commission.--Managers greatly concerned." No. 2 "Trusts in a panic.--Tobacco combine makes the first important surrender." etc. No. 3. "Trusts busted.--Far-reaching effects of the Supreme Court decision."-3.

1. McCarthy, Wisconsin idea. 2. Hughes, T. J. State socialism after the war. 3. quoted from Ely. Monopolies and trusts. 1910. p.243.

Professor Richard T. Ely, in his "Trusts and Corporations" advocates some possible effective solution on the subject. First of all, he said: "We must have both general education and special education: general education, to fit men better to fight the battle of life; and special education in economics, giving instruction concerning the nature of monopolies and the problems to which they give rise." Then comes "the two alternatives—on the one hand, public control of private property; and, on the other, public property with public management, the latter alternative necessarily carrying with it social control. A third remedy ~~lies~~ in the line of regulation of bequests and inheritances by taxation and otherwise, in order that in this way vast fortunes may gradually be broken up and wealth more widely diffused. As a fourth suggestion, there is the aid to be derived from tariff reform.... In the fifth place, the reform which is suggested is a reform of the patent law to cover all cases in which patents are made the basis of objectionable monopolies. In the sixth place, the reform of the law of private corporations along approved lines may be urged."

Our first problem of trusts and corporations, in a sense, is a negative one. It is the problem of removing the special influence and power they exercise in our political life. After this is done; when the nation has succeeded in welding their power—a task which is not by any means easy to accomplish; when our candidates have fulfilled their promises as embodied in their platforms against these great combinations after they are elected, then it will be time for us to take up the positive problem of using them for the general welfare of the people.

CHAPTER IV.

PROPOSALS FOR FURTHER EXPANSION OF THE WELFARE FUNCTION.

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What do the people need? What do they ask their government to do for them? What are the measures, both positive and negative, they demand to be enacted? These questions can be answered fully by party pledges and platforms. "A platform does not show what the politicians want, but does show what that astute person believes that the people want. It is the tribute, often the sole tribute, which the candidate pays to the popular wish. Thus the 1909 tariff is denounced by the Democratic state (1910) platforms because it oppresses 'the many for the benefit of the few' (Alabama); because 'it plunders the many to enrich the few' (Michigan); because it imposes 'added burdens upon the toiling and consuming masses' (Colorado), while building 'up great fortunes for a favored few' (Connecticut); because it has made heavier 'the burdens of the consuming masses' (Georgia); thus 'involving remorseless exactions from the many to enrich the few' (Indiana), and so on through all the states."-1. Platforms do not only tear down, but also build up; they do not only denounce but present remedies to cure not the symptoms but the root, the causes of the existing evil—political, economic or social. They are exactly the proposals for further expansion of the welfare function.

1.-Weyl. Progressive democracy. P. 277-8.
v.b.

SOCIAL DEMOCRATIC PLATFORM.

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1912.

The Social-Democratic party is described as the "American political expression of the international movement of the modern working class for better food, better houses, sufficient sleep, more leisure, more education and more culture." Its final aim is the emancipation of the producers and the abolition of the capitalist system so that there will be no poor or proletariat class who toils without enjoying, and no rich or capitalist who enjoys without toiling.

Private monopoly is denounced as a curse to the nation who is making untold millions out of the suffering of the poor. They are the masters of the people's bread for it is within their power to decide how much meat and how much bread the people shall eat, how much they shall spend for coal, oil and clothing. This is done by fixing the price of everything--thus the trusts decide how well or how ill, how long or how short a time people must live.

Collective ownership and democratic control.--The old parties are denounced in their failure to solve the trust question. The trusts dominate many important branches of the government--thus the only solution is collective ownership and democratic control.

Allegiance to International Socialism Principles.--The national program advocates for the immediate national ownership of railroad, steamboat, telegraph and telephone systems and express companies, and of the trusts, especially of those trusts which deal in the common

necessities of life. They urged for the provision for an old age pension; for the unemployed; for the establishment of a national insurance bureau for life, fire, sick benefit and unemployment insurance; and that the control of the currency be placed in the hands of the people directly, and not delivered over to corporations and trusts.

State program.---It is advocated that land belonging to the state shall not be sold, and that all land sold for taxes shall be bought by the state. Among other things proposed are state insurance, industrial program--limitation of working hours, safeguarding the right of workers; agricultural and educational program.

These programs are mere palliatives---are not cure for all existing evils, nor are they all socialistic measures. The tendency and aim of the party is for the conquest of all public powers and system which will secure to the people collectively the ownership of the means of production and distribution.

DEMOCRATIC PLATFORM 1920.

Whether the United States will join the League of Nations or not is the most important issue which both parties, Republican or Democrat must take a definite stand. However, domestic problems, problems which pertain to the general welfare of the people are well outlined and presented. The preamble "declares its adherence to the fundamental progressive principles of social, economic and industrial justice and advance, and purposes to resume the great work of translating these principles into effective laws, begun and carried far by the Democratic administration and interrupted only when the war claimed all the national energies for the single task of victory."

Accomplishments.—"The record of the Democratic party during the administration of Woodrow Wilson presents a chapter of substantial achievements unsurpassed in the history of the republic" which are the following:

Federal reserve bank system.

Farm loan banks.

Establishment of the department of labor.

Rehabilitation of the merchant marine.

Successful control of floods.

Reclamation of arid lands.

War risk insurance bureau.

Establishment of the federal trade commission.

Federal road act.

Postal service extension.

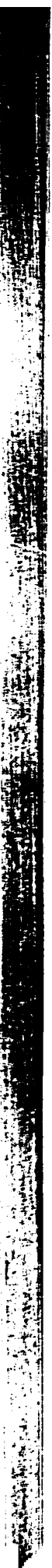
Alaskan policy of development.

High cost of living.—"The high cost of living and the depreciation of bond values in this country are primarily due to war itself, to the necessary governmental expenditures for the destructive purposes of war, to private extravagance, to the world shortage of capital, to the inflation of foreign currencies and credits and in large degree, to conscienceless profiteering." The party pledge a policy of strict economy in governmental expenses and to pass measures to bring the profiteers before the court of justice.

Tariff budget.—"The party "is in favor of a tariff for revenue only and confirm the policy of basing tariff revisions upon the intelligent research of a nonpartisan commission, rather than upon the demands of selfish interests, temporarily held in abeyance."

Agricultural interest.—"How much is done for the farmers is well shown by the establishment of a system of farm loan banks from which the borrowings already exceed \$300,000,000 at a low interest; "it passed the Smith-Lever agricultural extension act, carrying to every farmer in every section of the country, through the medium of trained experts and by demonstration farms, the practical knowledge acquired by the federal agricultural department in all things relating to agriculture, horticultural and animal life; it established the bureau of markets, the bureau of farm management, and passed the cotton futures act, the grain grades bill, the co-operative farm administration act, and the federal warehouse act." The rural mail system is vastly improved; parcel post system is well extended to serve the farming community.

Labor and industry.—"The Department of Labor was established in Washington to safeguard the interest of the laboring class. There have



been established "employment bureaus to bring the man and the job together; have been peacefully determined many bitter disputes between capital and labor; were passed the child labor act, the workman's compensation act (the extension of which we advocate so as to include laborers engaged in loading and unloading ships and in interstate commerce), the eight-hour law, the act for vocational training, and a code of other wholesome laws affecting the liberties and bettering the conditions of the laboring classes."

Labor must be safeguarded.—This must be done on the principle that labor is not a commodity, it is human. The conservation of the strength of the workers and their families in the interest of a sound-hearted and sound-headed men women and children is imperative for national safety and security. The nation must stand behind the reciprocal obligation between the worker and the state.

Collective bargaining.—"Labor, as well as capital, is entitled to adequate compensation. Each has the indefeasible right of organization, of collective bargaining and of speaking through representatives of their own selection. Neither class, however, should at any time nor in any circumstances take action that will put in jeopardy the public welfare. Resort to strikes and lockouts, which endanger the health or lives of the people is an unsatisfactory device for determining disputes, and the Democratic party pledges itself to contrive, if possible, and put into effective operation a fair and comprehensive method of composing differences of this nature."

Women in industry, illiteracy, citizenship.—It is urged that federal appropriation be made for the children's bureau and the women's bureau in

in the department of labor. "Co-operative federal assistance to the states is immediately required for the removal of illiteracy, for the increase of teachers' salaries and instruction in citizenship for both native and foreign born; increased appropriation for vocational training in home economics; re-establishment of joint federal and state employment service with women's departments under the direction of technically qualified women."

The railroads.—"The railroads were subjected to federal control as a war measure without other idea than the swift transportation of troops, munitions and supplies." In the National Democratic platform of July 2, 1912, efficient supervision and rate regulation of railroads was advocated. It was not then the program of this party to have government ownership of railroads as the Socialist-Democrat. Government ownership of railroad after two years experiment, did not prove satisfactory to the majority of the people; although the experiment was not long enough to make a good conclusion.

Highways.—"The federal road act of 1916 has brought under actual construction more than 13,000 miles of roads, suited to the traffic needs of the communities in which they are located.

Postal service.—"This has been extended to the door of "practically every producer and every consumer in the country (rural free delivery alone having been provided for 8,000,000 additional patrons within the last eight years without material added cost.)

Miscellaneous.—"13,000,000 tons of merchant marine have been constructed since the act was passed in 1916. This means that American products will be carried to all ports of the world by American vessels.

Favoring a liberal and comprehensive policy for the development of harbors and interior waterways.

The government reclamation projects, representing an investment of \$100,000,000; formerly arid lands now sustains 40,000 prosperous families and have an annual crop production of over \$70,000,000 not including the crops grown on 1,000,000 acres outside the projects supplied with storage water from governments works.

The federal trade commission is created to establish "a fair field for competitive business, free from restraints of trade and monopoly and recommends amplification of the statutes governing its activities so as to grant it authority to prevent the unfair use of patents in restraint of trade. For the purpose of insuring just and fair treatment in the great interstate livestock market and thus instilling confidence in growers through which production will be stimulated and the price of meats to consumers be ultimately reduced we favor the enactment of legislation for the supervision of such markets by the national government."

REPUBLICAN PLATFORM 1920.

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The Republican Party in adopting a platform in the national convention at Chicago "reaffirms its unyielding devotion to the constitution of the United States and to the guarantees of civil, political, and religious liberty therein contained. It will resist all attempts to overthrow the foundations of the government or to weaken the force of its controlling principles and ideals, whether these attempts be made in the



form of international policy or domestic agitation."

The domestic program for the welfare of the people is similar to the Democrats; it is however necessary to specify some which affect the people's interest.

Agriculture.—"The crux of the present agricultural condition lies in prices, labor, and credit." This can be improved by "the right to form cooperative associations for marketing their products, and protection against discrimination; the scientific study of agricultural prices and farm production costs at home and abroad, with a view to reducing the frequency of abnormal fluctuation; the uncensored publication of such reports; the authorization of association for the extension^{of} personal credit; a national inquiry on the coordination of rail, water, and motor transportation with adequate facilities for receiving, handling, and marketing food;"...

Industrial relations.—"The justice of collective bargaining is recognized as a means of promoting good-will, establishing closer and more harmonious relations between employers and employees, and realizing the time end of industrial justice.

The High Cost of Living.—"The prime cause of the H. C. of L. has been, first and foremost, a 50 per cent. depreciation in the purchasing power of the dollar, due to a gross expansion of our currency and credit. Reduced production, burdensome taxation, swollen profits, and the increased demand for goods arising from a fictitious but enlarged buying power have been contributing to a greater or less degree."

Profiteering.—"This is caused by the failure of enforcing the old anti-profiteering laws.

Railroads.—"They opposed the government ownership and operation or employee operation of the railroad.

Regulation of Industry and Commerce.— Amendments to present law are advocated as will provide American business men with better means of determining in advance whether a proposed combination is or is not unlawful.

Merchant marine.—The establishment of merchant marine, owned by private capital, and operated by private energy is advocated.

Immigration.—"The immigration policy of the United States should be such as to insure that the number of foreigners in the country at any one time shall not exceed that which can be assimilated with reasonable rapidity, and to favor immigrants whose standards are similar to ours."

Free speech and alien agitation.—The party advocates the enjoyment of the ancient and constitutional right of free speech; and the exclusion and deportation of aliens who constitute a real menace of this country.

Lynching.—Effective measures for the abolition of lynching in this country must be enacted.

Miscellaneous.—Improvement of public roads and highways, waterways, conservation of natural resources, reclamation, conservation of human resources through and enlightened measure of social and industrial justice, federal aid for education and health, child labor, women in industry, housing and other subject that need and demand governmental consideration.



A PROGRAM OF RADICAL DEMOCRACY.

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By radical democracy is meant hastening the government in the performance of certain functions which have not heretofore been performed. It is interesting to note that although some of these proposed plan seemed to be utopian or destrinaire, yet they contain and embody some political and social principles which eventually will be realized.

Among these are: The conservation of the army into local police forces and corps for engineering work and other improvements. This has a double advantage: to their health, because idling in barracks which is a method for the promotion of war, drunkenness and disease will then be eliminated; to the government, because public improvement will no longer be borne by the people by means of taxes.

The conservation of the navy into merchant marine, carrying a postal, express, freight and passenger service to every port in the world. In this way the navy, as well as the army can be made self-supporting as easily as the post-office.

The government must regulate the value of money, but not to engage in borrowing and lending. This system favors the bi-me-tallic campaign made by Mr. Bryan many years ago. The present increase in price is due to the inadequacy of a monometallic standard. Postal savings bank must not be permanent. Progressive taxation must be made upon the money powers: the bank, the bankers, Wall Street.

Pensions for old age and disabled persons, and subsidies for all children must be made by the government. As a reasonable demand on



humanity, people must be supported in old age. The care of children is dominant above every duty of the state. All possible opportunities should be given for well born and promising children. No child labor except for the benefit of the child. A maximum annual income and a maximum inheritance must be fixed..

Education and research to be promoted to the limits permitted by the resources of the state. The creation in science and art and their useful applications should be further extended. Science has helped us by reducing to one fourth the manual work that each must do. Science in our days, will provide our democracy, which Plato had to provide an aristocracy and slaves for his republic.

There must be an equality of advantages to the young; equality of opportunity to all. There must be no special privileges. Individual liberty must be limited only when it interferes with the liberty and welfare of others.

These are the propositions of radical democracy. These have to be carried on by gradual evolution and forwarded by conservative methods. But however good and wise is this program, we can not advance beyond or apart from the sentiments of the people; and however radical or revolutionary these proposals are, it is always better to give them encouragement, for the time may come when such would be accepted by the public opinion and demanded by the people.

MODERN POLITICAL VIEWS OF THE CHURCHES..

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A twentieth century church platform. Churches have always political as well as religious views ever since they were organized. The tem-

1.-See footnote on next page.

Agency to-day is to be more practical in their work. Social Service is their creed and their task now is to reduce this complex term-social service-to simplicity. They know that when a person is hungry he is not, as a rule, a good christian; thus to satisfy first his human want is a necessary prerequisite to a good christian and ~~at~~ a good citizen. Economic as well as political Program are included in church religious work. In Oct. 1911, the General Conference of Unitarian and other christian churches at Washington, D. C. unanimously adopted a platform which was purely economic and political, with the view of helping primarily the laboring classes. They stand:

For equal rights and complete justice for all men of all races in all stations of life.

For the right of all men to self-maintenance, a right ever to be wisely safeguarded against encroachments of every kind.

For the right of the workers to some protection against the hardships resulting from swift industrial changes.

For the principles of conciliation and arbitration in industrial dissensions and full consideration of the rights of the public at times of disagreement or industrial warfare.

For the protection of the workers from dangerous machinery, occupational disease, and mining disasters.

1.-The Twentieth Century Magazine. Aug. 1912; and The Churches united by Frederick Lynch in The Independent Dec. 4, 1916.

2.-The Twentieth Century Magazine Aug. 1912. This is the Twentieth Century Churches Platform declaration unanimously adopted by the General Convention of Unitarian and other christian churches of Washington D. C. Oct. 1911.



For the abolition of child labor and the protection of children from exploitation in industry and from work that is degrading, dwarfing, and morally, unwholesome.

For such regulation of the conditions of toil and hours of labor for women as shall safeguard the physical and moral health of the community.

For the suppression of the "sweating system."

For the gradual and reasonable reduction of the hours of labor to the lowest practicable point, and for that degree of leisure for all which is a condition of the highest human life.

For a release from employment one day in seven and a wage based not on a seven-day week, but on a six-day week.

For a living wage as a minimum in every industry, and for the highest wage that each industry can afford.

For the most equitable division of the products of industry that can ultimately be devised.

For suitable provision for the old age of workers and for those incapacitated by injury in industry.

For the control of the natural resources of the earth in the interests of all the people.

For the gaining of wealth according to the highest ethical standards and the holding of wealth as a social trust.

For the discouragement of the immoderate desire for wealth; and the exaltation of man as the end and standard of industrial activity.

For the abolition of poverty.

For the proper housing; for the proper care of dependents and criminals; for pure food and drugs; for wholesome recreation and for international peace.



For such safeguarding and extension of the institutions of democratic government as will permit and insure the maintenance of the rights of all against encroachment from the special interest of the few.

The churches believe that government to-day must both be prohibitive and positive. They are in perfect accord with the policy of the government to exercise not only its essential, but also its non-essential or doubtful function to a great degree. The laissez faire theory nowadays has outrun its use. There were forces which either directly or indirectly affect the people which need regulation for the general good and interest not of a particular class nor group but of the whole people.

CHAPTER V.

CONCLUSION.

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General welfare means advancing the interest of society in an expansive basis. We do not need a new function in the government. What is needed is the reinterpretation of the general welfare function according to the demand of the time. The question frequently asked to-day: How far will the socialistic and non-socialistic activity of the government, under non-essential or doubtful function, go, and when and where will they stop?

New interpretation upon liberty.—Weyl, in his "New Democracy" asserted that the chief prerogatives desired to-day are not political but economic; and the chief restriction upon liberty are not legal but economic. People nowadays seldom complain because they are "deprived of life, liberty, or property without due process of law"; but they often bring action

against illegitimate profiteering and High Cost of Living. The best cure for this political and economic evil is: the democratization of government, socialization of industry, and civilization of citizens.

A complex age.--Woodrow Wilson said that we live in a complex age; and that we need not only negative but positive program as well. The time of Jefferson of little governing is now gone; because the "individual is caught in a great confused nexus of all sorts of complicated circumstances, and that to let him alone is to leave him helpless as against the obstacles he has to contend, and that, therefore, law in our day must come to the assistance of the individual... Freedom to-day is something more than being let alone. The program of a government of freedom must in these days be positive, not negative merely."

We need the emancipation to business; remove and destroy all impediments to business so that every body is free to go to the game. "Monopoly always checks development, weighs down natural prosperity, pulls against natural advance."

No boundary line between legitimate and illegitimate state interference.--Huxley said that the claim of the individualist and socialist in regard to state function is out of question. "The state is neither a gendarme nor an entrepreneur of public felicity; neither a mere police contrivance for securing order nor an 'epicurean engine for the manufacture of general comfort.' The question of what are the functions of government observes Huxley, is met by the answer to the question "What ought we men in our corporate capacity to do, not only in the way of restraining that free individuality which is inconsistent with the existence of society, but in encouraging that free individuality which is essential



to the evolution of the social organization?" Manifestly, however, it is impossible to draw the boundary line between legitimate and illegitimate state interference as we would draw a boundary line on a map, because it is a line which must change with the altered conditions and needs of society. No hard and fast rule, no fixed principle governing the division can be laid down; no a priori solution of the question can be found. Must be left to be decided separately for each individual case."

Conservation of man and women.—Leacock in his "Unsolved Riddle of Social Justice" emphasized the necessity and importance of the conservation of man and women. He regards this as the best possible solution of the intricate problem of the day, and this is regarded as the most important thing that the war has shown us. He challenged the melancholy doctrine of Malthus that because it was difficult for a poor man to bring up a family, a family ought not to be brought up and said that such is a hasty conclusion. The war has entirely corrected and inverted this point of view. He pointed out the "enormous untouched assets still remaining for mankind in the vast spaces filled with the tangled forests of South America, or the exuberant fertility of equatorial Africa or the huge plains of Canada, Australia, Southern Siberia and the U. S. as yet only thinly dotted with human settlement. There is no need to draw up an anxious balance sheet of our assets. There are still an uncounted plenty...

"The fundamental error of the Malthusian theory of population and poverty is to confound the difficulties of human organization with the question of physical production. Our existing poverty is purely a pro-

blem in the direction and distribution of human effort. It has no connection as yet with the question of the total available means of subsistence. Some day, in a remote future, in which under an improved social system the numbers of mankind might increase to the full power of the natural capacity of multiplication, such a question might conceivably disturb the equanimity of mankind."

He gave the conclusion that: "The safety of the future lies in a progressive movement of social control alleviating the misery which it can not obliterate and based upon the broad general principle of equality of opportunity. The chief immediate direction of social effort should be towards the attempt to give to every human being in childhood adequate food, clothing, education, and an opportunity in life. This will prove to be the beginning of many things."

The Socialistic program.—Leacock repudiated the theory of the socialists on work. This is the Socialists program. "Let the state take over all the means of production all the farms, the mines, the factories, the workshops, the ships, the R. R's. Let it direct the workers towards their task in accordance with the needs of society. Let each labor for all in the measure of his strength and talent. Let each receive from all in the measure of his proper needs. No work is to be wasted: Nothing is to be done twice that need only be done once. All must work and none must be idle; but the amount of work needed under these conditions will be so small, the hours so short, and the effort so slight, that work itself will no longer be the guiding monotonous toil that we know to-day, but a congenial activity pleasant in itself."

In his book The Wisconsin idea, Charles McCarthy "concedes to the



State undisputed and comprehensive paternalism. Militarism is, of course, excluded—the will of the people, informed and guided by their institutions of higher learning, is to give the State all the power it needs. He emphatically maintains that "the new individualism, "as he calls it, is the antithesis of Socialism. He scorns the idea that private property can ever be abolished in the United States. But he insists upon such a control by the State as will prevent economic monopolies, with their inevitable creation of every kind of privilege. His aim, as Sir Courtenay Ilbert notes, is "co-operation between the individual and the State in the common interest of both." The individual must have his efficiency developed his opportunities safeguarded. There must, writes Dr. McCarthy, be a "jealous guarding of the governmental machinery from the invasion of the corrupting forces and might of concentrated wealth, and consequently the shaking of monopoly and the regulating of contract conditions by special administrative agencies of the people." 1.

"Wisconsin, is a State wide laboratory in which popular government is being tested in its reaction on people, on the distribution of wealth, on social well-being;" ^{-2.} thus we may conclude that Wisconsin is the State which satisfies the most of the welfare function of the state for its people. Why this state gained the world wide fame in modern constructive legislation as oftentimes called radical legislation can be attributed to its political philosophy, that experiments may be ventured—anything is better than stagnation.

1.—Quoted from Sir Horace Plunkett; McCarthy of Wisconsin. The Nineteen Century, June, 1915.

2.—Frederick O. Howe; Wisconsin, An Experiment in Democracy.



"The most typical measures are those controlling the relations between railroad companies on the one hand and then patrons and employees on the other. The laws regulating, passenger and freight rates.... State control of all public services and of insurance companies, industrial legislation affecting women and child labour, employers' liability and the safeguarding of workers in factories - all conceived with chief regard to the welfare of the masses of the population - have been passed through the biennial sessions of the legislature with a bewildering rapidity."

A fervish democracy can be studied, cured and straightened by experimenting and studying the doings and strivings, the successes and the failures, the wisdom and folly of legislators and administrators throughout the world; apply the lesson as demanded by the particular situation. "The scientific student of government no longer dogmatizes as to the functions of government, because he realizes that they depend not upon any abstract theories as to the nature of justification of government, but rather upon the organization and pressure of interests within the State."^{1.} It may be safely stated that the evolution of the aim or function of government goes hand in hand with the evolution of its needs. Only by striving to satisfy these changing needs can the government very well serve the community which established and supports it.

Equalization of opportunity.—Weyl, in his "New Democracy" gave this statement; what a socialized democracy demands is an equalization not of men, but of opportunities. And he further continued by reminding, that however great is the accomplishment we have in our government for the promotion of general welfare, a perfect state of terrestrial bliss can not be

1. Beard, Charles A. Cyclopedia of American Government. v.2, p.91.

attained; for, he said," a lying down together of the human lion and the human lamb, is as remote from our experience as is the collision of sun and moon."

He does not believe in Utopias, because they are too static. "Utopias break down because they represent attainment, fulfillment. But society does not strive towards fulfillment, but only towards striving. It seeks not a goal, but a higher starting point from which to seek a goal."

There is no real short-cut answer, nor a rigid political, economic, or social formula that can be prescribed to the question of what certain principle to follow in the development of the general welfare function of the state and of the federal government in the United States. Both states and federal governments are making an expansive interpretation of this function. One healthy sign of the federal government which must not be overlooked, is the fact, that all experiments successfully accomplished by the state government are taken and introduced by the national government. Workmen's compensation law, pure food law, child labor law, mother's pension law, vocational schools, prohibition law, women suffrage law, and many other laws are first operated in the states; then later, they are introduced to Congress. In this way the national law can well follow the minimum law--a compromise of all states. The geographical, economic, or educational condition of the country demands such compromise. In this way the rule that laws must fit you in like a coat is well followed. The nearest to the people are the best lawmakers. Thus American democracy starts from the bottom; it starts from cities and states, and then later taken up by the national government.

Upon the development or expansion of the general welfare function of the government to-day, emphasis must be laid to giving equal opportunity

to every body; elimination of all barriers to equal opportunity; "of a fair deal for all human kind, of giving to every child in the race of life an equal start." This is the greatest demand of the time, of the people, of the many, and of the masses for their general welfare.



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APPENDIX A.

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THINGS WHICH HAVE APPEALED TO ME
MOST FORCEIBLY IN THE
UNITED STATES.

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There are two types of people in this country: the homogeneous, and the heterogeneous, or the conservative and the radical. The former has old history to consider, tradition to which to adhere and precedent to respect. The conservative walks slowly and rather looks with indifference to all changes and innovations. The radical has often outrun the former; and there is a danger of the radical going too fast. On the other hand if it were not for the radical, the conservative would not go at all. These two types of people serve as a check and a balance upon each other. They disagree; but when their differences of opinion are crystalized on the one principle to follow and the one ship to sail, these two groups are found sitting side by side, riding in the same boat, paddling together in one direction with one destination in view. This particular national trait or characteristic is very admirable, but the things which have appealed to me most forcibly are their ideas of foresight, of good-will, and of quantity, production.

The United States of to-day acts not only for the United States of the twentieth century but also for the United States of the many coming centuries. She always puts her vision beyond the facts. This is manifested in all her political and economic movements and policies. Political foresight—that is foresight in governmental policy in relation with other nations—in its last analysis, is nothing but an economic

foresight. It means more industry, more exports, more commerce and more progress.

Because of this foresight, she flatly refused in this Great War to receive or share the booty or the spoils, nor did she enter the conflict with any idea of gain. Anything which sounds like war spoils is repugnant to her ears because it savors of a temporary recompense. What she is after is a more permanent one, not an immediate but a remote benefit. Thus all her investments bring no material return, yet they reap a harvest which is lasting and dearer than wealth can buy: the harvest of good-will.

It is upon her good-will that the greatness of the United States of to-day and of the future lies. This is her floating bond subscribed by the untold number of people of different climes and races who are now paying it with the priceless interest of gratitude, confidence, and trust.

It is an investment which never goes below par, which does not fluctuate, and which can not be speculated upon. It brings forth returns beyond human estimation.

She has fed starving Europe which was a part of her investment of good-will. Much has been said and much has been told of the spiritual leadership of the United States. Not many, however, realized that this spiritual leadership would develop into economic leadership. She has the confidence of all nations; she is trusted by all nations—thus her goods and products always have a place in all markets. She has not the enigma of a Shanghai nor of a Fiume to antagonize the consumers; and in the long run her good-will investment will yield more returns than the

value of any property or territory however big she could have acquired or received as a price of victory in this Great War.

Being conscious of this country's exceptional situation in having the confidence and trust of large and small nations alike, indeed of the whole world, the American people spare no time in manufacturing and producing food and commercial products for export in enormous quantities. Quantity production is a typical Yankee idea. When an American organizes a business he figures his investment in terms of millions. This country puts an end to the war two years sooner than was expected by applying her business foresight to military affairs and sending abroad men and munitions in huge quantities. This idea is daily being applied in factories, in business, and in commerce.

To an American, business is a fascinating game. The gambling side of it attracts him more than the possession of wealth. To him it is an interesting sport, as in most cases his initiative and ability is measured by the success of his investment. Such a tendency is natural when the great economic task of to-day has given an unusual importance to the business man, and when business ability is considered an essential asset to every citizen. As a consequence higher grades of goods and luxuries are produced. The manufacturer finds pleasure in creative activity; he aims and delights in the perfection of his products; he strives to secure the standards of technical excellence. Five and ten cent stores have ceased to look for profit as a primary matter and have turned their attention to service and the welfare of their patron.

This prevailing spirit is not confined to business alone; it has found outlet in public and civic activities. What is true in business

is true in public institutions for the promotion of general welfare. Universities, colleges, Libraries, Museums, parks, playgrounds and other civic institutions are established and maintained with vast expenditure of money. Thus the public has all the opportunities which, in other countries, are limited to the fortunate few which inadequate institutions are able to accomodate. This spirit and this idea mean progress, but progress in quantity production.

I am not unaware of this country's defects and shortcomings. I am not unaware of her trust and corporation problems. I am also not unaware of her many isms which are putting her to a real test. But the things which have impressed and appealed to me most forcibly in this country during my short stay for study and observation are her ideas of foresight, of good-will, and of quantity production in all her enterprises, economic or political, domestic or international.

Approved by:

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